

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6770

BILL NUMBER: HB 1264

NOTE PREPARED: Jan 23, 2012

BILL AMENDED: Jan 23, 2012

SUBJECT: Flood control in Lake County.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill expands the Little Calumet River Basin Development Commission (LCRBDC) from five members to nine members.

The bill requires the LCRBDC to levy a special assessment on parcels of land within the Little Calumet River and Burns Waterway Watershed in Lake County. It specifies that the special assessment applies only to parcels that are not exempt from property taxation.

This bill specifies the permissible uses of the assessments, including the repayment of bonds. It specifies that projects for which bonds are payable from special assessments are not controlled projects and it specifies that certain procedural laws apply to the issuance of bonds payable from special assessments.

The bill provides for the repayment of money to the Northwest Indiana Regional Redevelopment Authority (NIRDA). It requires the LCRBDC to meet at least four times per year and to submit annual reports to the Board of County Commissioners of Lake County. The bill also establishes the Little Calumet River Basin Project Advisory Board.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The Commission must impose an annual special assessment against each tract of real property that is within a specified geographic area. Special assessments must be deposited into a segregated account. The Commission must certify the list of assessments to the county auditor.

Money collected may be used only for:

- 1) Expenses directly related to the acquisition, construction, or improvement of real property, facilities, betterments, or improvements that are part of a project, including site acquisition;
- 2) Expenses directly related to the operation, repair, and maintenance of flood protection systems;
- 3) Bond repayment; and
- 4) transfers to NIRDA.

The county treasurer must add the assessment to property tax statements. The county treasurer must certify to the county auditor the amount of the special assessments collected. The county auditor must pay special assessments collected by the county treasurer to the Commission.

The bill provides for the transfer of the following specified amounts to NIRDA. Transfer amounts may be postponed or reduced if two-thirds of the Commission members vote to adopt a resolution declaring an emergency exists.

Date of Transfer	Amount of Transfer
July 1, 2013	\$2,430,000
July 1, 2014	\$1,460,000
July 1, 2015	\$920,000
July 1, 2016	\$690,000
July 1, 2017	\$500,000

Commission Membership. The bill increases the membership of the Commission from 5 to 9, to include 2 members nominated by the Board of County Commissioners of Lake County and 2 members nominated by 2 specified mayors. This provision will increase per diem and traveling expenses associated with Commission meetings. The Commission meets monthly, and 4 members, who are local, receive \$50 per meeting. (One state employee is not reimbursed.)

Explanation of Local Revenues: (Revised) The special assessment would be assessed at differing amounts depending on the parcel type assigned under the property tax assessment system.

There are 149,698 parcels in the assessment area. Parcel types could not be found for 129 of those parcels. This analysis assumes that the unidentified parcels are commercial in nature and therefore subject to the \$180 assessment. Also, 8,494 parcels were identified as government owned parcels and 1,020 were identified as being property tax exempt parcels. The assessments would not apply to exempt or government owned parcels.

The assessments would total about \$8.1 M per year beginning in 2013. After adjusting for collections rates, the revenue that would be collected from the assessments is estimated at \$7.3 M per year. Payment would be

due in full each year by the spring property tax payment deadline, May 10th. The parcel counts, assessments, and estimated yearly revenues are as follows:

Property Class	Parcel Count	Assessment	Est. Billings	Est. Revenue
Agricultural	1,268	90	114,120	107,176
Commercial	8,661	180	1,558,980	1,378,521
Industrial	846	360	304,560	276,462
Residential	128,286	45	5,772,870	5,186,538
Utility	994	360	357,840	320,377
Government	8,494	0	0	0
Other Exempt	1,020	0	0	0
Unknown	129	180	23,220	21,239
Total	149,698		8,131,590	7,290,313

State Agencies Affected: DNR.

Local Agencies Affected: Units represented by the Little Calumet River Basin Development Commission.

Information Sources: DNR; Lake County Assessor parcel data.

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